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BEFORE THE ARIZONA CORPORATION COMMISSION ED



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WILLIAM A. MUNDELL

Chairman JIM IRVIN

Commissioner
MARC SPITZER
Commissioner

Arizona Corporation Commission

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AZ CORP COMMISSION DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY, AN ARIZONA
CORPORATION, FOR ADJUSTMENTS TO ITS

PATER AND CHARGE FOR HER APPLICATION

CORPORATION OF THE APPLICATION OF THE A

CORPORATION, FOR ADJUSTMENTS TO ITS RATES AND CHARGES FOR UTILITY SERVICE FURNISHED BY ITS NORTHERN GROUP AND FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-01445A-00-0962

MOTION FOR EXTENSION OF TIME

On October 12, 2001, the Commission issued a procedural order (the "Procedural Order") in this docket granting Arizona Water Company's motion and establishing a separate phase concerning the recovery of costs resulting from the new MCL for arsenic. In relevant part, that order provides: "IT IS FURTHER ORDERED that the parties shall file a final report by March 31, 2002."

On December 28, 2001, the Commission issued Decision No. 64282, which granted rate increases for Arizona Water Company's Northern Group systems. In that decision, the Commission affirmed the bifurcated procedure approved by the Procedural Order, and expanded the scope of this phase of the rate proceeding to include consideration of Arizona Water Company's request for the consolidation of the rates of its five Northern Group systems into two rate schedules. The Commission also ordered that this docket would remain open for an additional 180 days to allow the parties to develop a proposed procedure for the recovery of costs relating to arsenic treatment and to address the issue of rate consolidation.

Subsequent to the Procedural Order the parties were encouraged to develop a generic arsenic cost recovery approach by participating in the Funding Option Subcommittee of the Arizona Department of Environmental Quality's Arsenic Master Plan. This Subcommittee, which was cochaired by the Water Infrastructure Financing Authority and the Arizona Corporation Commission met on January 25, February 12, February 27 and March 15, 2002 but was unable to develop a generic cost recovery method and no further meetings of the Subcommittee are scheduled.

Arizona Water Company, Staff, and RUCO have had several meetings while also

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participating in the now terminated generic meetings. All parties agree that additional discussions in this docket on a specific Arizona Water Company plan for an arsenic cost recovery procedure are necessary and appropriate. Although progress has been made, the parties need more time to develop a proposed procedure for the recovery of costs relating to arsenic treatment and to address the issue of rate consolidation.

Thus, the parties respectfully ask that the date for filing the final report be extended 60 days. All the parties understand that they may be unable to reach a final agreement on a procedure for arsenic cost recovery and rate consolidation before the extended date for filing the final report. In that case, the parties agree that they will request an extension of the docket so that a hearing may be held.

RESPECTFULLY SUBMITTED this 29th day of March 2002.

David M. Ronald, Esq., Arizona Corporation Commission

David Ronald

Norman D. James, Esq., attorney for Arizona Water Company

David Ronald for

Daniel W. Pozefsky, Esq., Residential Utility Consumer Office

AN ORIGINAL and ten (10) copies of the foregoing were filed this 29<sup>th</sup> day of March, 2002 with:

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5	this 29 <sup>th</sup> day of March, 2002, to:
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